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TAGS: [PREL](#) [PGOV](#) [PBTS](#) [MARR](#) [TH](#) [CB](#)
SUBJECT: DAS MARCIEL REVIEWS U.S. POLICY WITH GOVERNMENT,
OPPOSITION, CIVIL SOCIETY

REF: A. PHNOM PENH 89 (ICC)
[1](#)B. 09 PHNOM PENH 960 (UIGHURS)

Classified By: AMBASSADOR CAROL A. RODLEY FOR REASONS 1.4 (B, D)

[1](#)1. (SBU) SUMMARY. In a wide range of meetings with Cambodian officials, opposition party members, NGOs and civil society, Deputy Assistant Secretary for East Asian and Pacific Affairs Scot Marciel spotlighted stepped-up engagement by the United States in Cambodia while highlighting specific issues such as the Uighur deportation, bilateral debt, Preah Vihear, the Anti-Corruption Law, and resolution of the Cambodian-Thai border dispute. Both DPM Sok An and FM Hor Namhong renewed the Cambodian commitment to settle the dispute with Thailand peacefully. Sok An detailed Cambodian claims to the Preah Vihear temple area, and Hor Namhong expressed appreciation for increased U.S. participation in the region, including the Lower Mekong Initiative. He also extended an invitation for the Secretary to visit on the occasion of the 60th anniversary of diplomatic relations in July. Economic experts highlighted concerns about sustainable economic growth and macroeconomic stability, particularly in light of the expected closure of the IMF office in Cambodia this year. Opposition parliamentarians were less downbeat about identified deficiencies in Cambodia's tighter political space, and more deliberate in identifying actions they could take to improve the situation. In meetings with civil society, the Uighurs, Sam Rainsy's conviction, and a proposed NGO law figured prominently. DAS Marciel spoke on U.S. foreign policy in the region to 400 university students, who, in a spirited exchange, demonstrated that Cambodia's youth is a vibrant reminder of the promise of Cambodia's future. END SUMMARY.

Debt and Impact of Uighur Decision

[1](#)2. (C) Deputy Prime Minister and Minister of Foreign Affairs Hor Namhong reiterated his request to Secretary Clinton to reschedule bilateral debt, suggesting now that 70% of the debt be diverted to development assistance and that 30% would be repaid. DAS Marciel outlined the legal obstacles to debt forgiveness, and indicated that the process was complicated further by Cambodia's recent decision to deport 20 Uighur asylum seekers to China (Ref B). Stating that there was great concern in the administration and Congress regarding the decision, DAS Marciel maintained that the question of debt relief for Cambodia had become much more difficult as a result, since the deportation raised questions about how Cambodia will handle future asylum seekers. Hor Namhong responded by stating that "many factors" were considered prior to returning the Uighurs, but in the end, it was determined that they were "not refugees because there is no war in China." Additionally, he claimed that the Uighurs' passage from China to Cambodia was orchestrated by an organization in the U.S. and that if they were allowed to

stay, more would follow, creating a situation that Cambodia is not equipped to handle.

ASEAN and the UN

13. (SBU) Stating that the U.S. is committed to building a strong relationship with ASEAN, DAS Marciel noted that a Resident Representative of the U.S. Ambassador for ASEAN Affairs recently arrived in Jakarta to establish a Permanent Mission. Hor Namhong stated that ASEAN is pleased about the United State's increased interest in the region and declared that there are only two alternatives for the next ASEAN-U.S. summit - Vietnam or the United States. Noting that Asia is moving in the right direction with closer cooperation, increased trade, and enhanced security, Hor Namhong expressed frustration that initiatives such as Australia's Asia Pacific Community (APC) result in duplication of existing frameworks such as that of APEC, ARF, EAS, and ASEAN. Hor Namhong stated that Cambodia is supportive of U.S. participation in existing communities, such as EAS, but indicated the timing of the APC is not right nor is its role in the region clear. (NOTE: Hor Namhong's comments on the APC echo similar public statements made by Prime Minister Hun Sen in January. END NOTE.)

14. (SBU) Hor Namhong then appealed to the U.S. for support of Cambodia's 2012 bid to become a non-permanent member of the UN Security Council in 2013, which has ASEAN's support. Given its history of UN involvement, Cambodia is well placed to sit on the Council and share knowledge with other members, he urged. DAS Marciel responded that Cambodia's experiences

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would certainly bring an important perspective to UNSC deliberations.

Burma Elections in May?

15. (C) Expressing his appreciation of the new U.S. policy on Burma, Hor Namhong indicated that Burma is interested in working with the United States. and would like to join the Lower Mekong Initiative. He stated that the Burmese FM told the Cambodian Ambassador recently that elections will be held in May 2010, and that ten political parties, including Aung San Suu Kyi's, would be allowed to participate. Additionally, the Burmese government has requested that ASEAN send election observers. According to Hor Namhong, during a closed-door meeting at the ASEAN summit, member nations urged Burmese officials to hold credible and democratic elections. Agreeing that the election would indeed be an opportunity for progress, DAS Marciel expressed concern that opposition leaders are unable to campaign and much work is required before a truly free and fair election can be held.

Thailand and Image

16. (C) Given the recent verbal exchanges between Prime Minister Hun Sen and Thai Prime Minister Abhist Vejjajiva, DAS Marciel expressed concern that in addition to raising tensions in the region, such combative public comments are hurting both countries' international images and could negatively impact tourism and investment. Hor Namhong stated that Cambodia is committed to normalizing relations with Thailand, that the "Thaksin issue" should be set aside, and focus should instead be on solving the border dispute. He further stated that "Cambodia cannot accept Thailand's claim to Cambodian territory, and Thailand won't withdraw the claim, so the only way to settle is through legal means." (Note: In recent speeches, PM Hun Sen has indicated a desire to take the issue to the ICJ and the UNSC. End Note.)

Improved Bilateral Relations

17. (SBU) The FM expressed appreciation for improved U.S.-Cambodian relations during the last few years. He specifically thanked the U.S. for support in the areas of health, education, demining, economic development, and local administration reforms. Hor Namhong also discussed the work of a joint commission which is planning events to commemorate the 60th anniversary of diplomatic relations between the U.S. and Cambodia to include bilateral agreements, MOUs and cultural programs. In that context, he extended an invitation to Secretary of State Clinton to visit Cambodia in July, when a series of bilateral agreements could be signed. DAS Marciel credited the Cambodian government for increased development of the country, thanked Cambodia for its support in recent UNGA votes which were appreciated by the United States, and congratulated the FM on his initiative to position Cambodia as one of the first countries to associate itself with the Copenhagen Accord.

Sok An: Up on Preah Vihear, Down on Thai "Invasion"

18. (SBU) Deputy Prime Minister and Minister of the Council of Ministers Sok An highlighted recent successes with the Khmer Rouge Tribunal (septel) and the extension of a Chevron agreement to exploit oil and gas resources in the offshore Block A in Cambodian territorial waters. On the Cambodian-Vietnamese border demarcation process, Sok An noted that it is possible the border line that is being drawn in principle according to maps and agreed rules may cut through the rice fields of both Cambodians and Vietnamese, who then find themselves theoretically on the wrong side of the border. "We are seeking an appropriate solution," he stated. Turning to the Thai border and drawing on a six-inch pile of maps, documents, and brochures, Sok An gave a blow-by-blow account of the inviolability of Cambodian claims to Preah Vihear and the surrounding territory based on the 1962 ICJ decision, the irreversibility of the 2008 UNESCO inscription of Preah Vihear as a World Heritage Site, and the indisputably uncooperative attitudes of the Thai by, among other acts of arrogance and slights to Cambodia, invading Cambodian sovereign territory on July 15, 2008.

19. (SBU) Sok An reviewed recent Cambodian achievements with the Preah Vihear world heritage site development plan, noting the construction of new access roads and an East-facing

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staircase up the escarpment to the mountain temple. An eco-village for 300 families who had been re-located was already far along and a market at the foot of the temple entrance re-designed. The RGC had already spent \$99 million in the area of Preah Vihear and around the border, he stated.

As an International Coordinating Committee (ICC) is formed (Ref A), Cambodia is inviting the United States to join and perhaps even co-chair the ICC, he said. When asked about the UNESCO requirement that Thailand be invited to join the Preah Vihear ICC, Sok An said that he was "very reluctant" to include them. He noted first that this condition had been imposed in early July, before the "Thai invasion" and, secondly, the Thai behavior at a recent Angkor Wat ICC -- when a delegation packed with Thai MFA members did not want to join in the technical preservation discussion but wanted to raise political issues -- had shown that the Thai could not be trusted to make a positive contribution. DAS Marciel said that the U.S. would look seriously at playing a role in the Preah Vihear ICC, but urged the RGC to continue to work together with Thailand to ease bilateral tensions.

Anti-Corruption Law

110. (SBU) DPM Sok An confirmed that the Council of Ministers had recently transmitted to the National Assembly the draft Anti-Corruption Law (ACL) for its consideration. Now that the four basic laws related to civil and penal codes and

procedures were in place, and given an influx of a younger cadre of judges capable of understanding these inter-dependent laws, Sok An was confident that the government was ready to work on an Anti-Corruption Law. He said the RGC would build three pillars of support for a new law: education, law enforcement, and mass support. The RGC now realized the importance of mass support because, when a case of corruption is brought against individuals, they "do everything to fight" it, he said. He cited Hong Kong and Singapore as the best models for Cambodia and noted that the former RCAF headquarters compound would be transformed into an Anti-Corruption Institute. Noting continued U.S. support for an ACL, and remarking that any effort to tackle the difficult issue of corruption must have the strong support of the leadership, DAS Marciel noted the United States looked forward to its passage.

Opposition Politics

¶11. (SBU) In a meeting with Sam Rainsy Party parliamentarians Mu Sochua and Son Chhay and Human Rights Party MP Ou Chanrith, DAS Marciel emphasized U.S. commitment to stepping up its engagement with the Cambodian government to support democracy, good governance, and the rule of law. While initially predicting a dire future for democracy and a diminished role for the opposition, the MPs still held out a vision for their own role to reform institutions in Cambodia.

All three had clear proposals for future activities funded by U.S. assistance: organize more voter forums at the local level; assist with reform measures such as implementation of an impending Anti-Corruption Law; support fair coverage of the opposition in the mainstream media; and strengthen USG support for "alternative media" such as RFA and VOA, which give the opposition more balanced radio air time. Son Chhay urged the USG to use its position of influence not just to "sweet talk" the RGC but to advocate that it take more seriously its human rights obligations. SRP Mu Sochua urged the U.S. to review the "quality of assistance" in the maternal health area so that aid dollars resulted in the desired reduction of maternal mortality. (NOTE: At about 470 per 100,000 live births, Cambodia's maternal mortality rate is among the highest in the region. END NOTE.) DAS Marciel assured the opposition leaders that, in addition to paying attention to issues they raised, the U.S. was concerned about the political space in Cambodia and had bluntly raised those concerns with the government.

The NGO Perspective

¶12. (SBU) Speculation about a proposed NGO Law dominated DAS Marciel's discussion with civil society representatives about the overall health of civil society in Cambodia. One representative captured attention with his claim that "there is no civil society in Cambodia anymore," predicting that Cambodia will soon become like Vietnam, where he believed the government allowed NGOs to work on economic and development issues, but prohibited advocacy. Most agreed that while there are many NGOs providing services in Cambodia, the other

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elements of civil society, particularly those that advocate for government change -- such as unions, journalists, opposition parties, and advocacy organizations -- are operating in an increasingly challenging environment. They voiced deep concern about a proposed NGO Law, and speculated that the new law will require all NGOs currently operating in Cambodia to re-register, presenting an opportunity for the RGC to disapprove particular organizations it dislikes. The independence and credibility of the judiciary also came under attack when DAS Marciel raised the issue of Sam Rainsy's conviction for incitement and property destruction. Representatives criticized the government for using the courts to settle its political scores, with once noting that independent of the politics and legal questions involved, he

believed the court acted "inappropriately" in intervening in the situation, and that courts "should not be used as a tool for silencing debate."

¶13. (SBU) Civil society representatives were also sharply critical of the government's decision to deport 20 Uighurs in December. Christophe Peschoux, the Representative of the UN Office of the High Commissioner for Human Rights (UNOHCHR), stated that mid-level officials in the RGC wanted to and were prepared to adhere to Cambodia's commitments under the 1951 Refugee Convention, but were overruled by officials at the highest level at the last minute. Peschoux noted that the past system of refugee protection in Cambodia had been effective, albeit with its "ups and downs," but that the Uighur deportation "shattered" this perception of efficacy and credibility. He remarked that the Ministry of Interior will have to take specific corrective actions in order to regain the confidence of civil society. Other representatives expressed disappointment in the role played by the UN High Commission for Refugees (UNHCR), and agreed that the presence and capability of UNHCR also needed review and augmentation.

Cambodian Youth Inquisitive of U.S. Policy

¶14. (SBU) DAS Marciel summarized U.S. foreign policy in the ASEAN region and in Cambodia to a packed auditorium of 400 students at Pannasastra University. His remarks prompted a slew of questions, with students curious to learn more about the U.S. government's decision to enhance its engagement with ASEAN and the U.S. role in addressing the challenges of climate change. Several students sought DAS Marciel's candid assessment of politics and democracy in Cambodia, revealing a sophisticated understanding of the challenges to strengthening democratic institutions in Cambodia and a proactive style in addressing the issues of the day.

Economic Challenges Ahead

¶15. (SBU) Economic experts, including country directors from the World Bank, IMF, and Asia Development Bank, explained that Cambodia's narrowly-based economy contracted by approximately 2 percent in 2009 as a result of the global economic crisis, declining significantly from the remarkable near 10 percent growth of the past decade. They described Cambodia at a crossroads, with the path leading to sustainable growth dependent on the leadership's ability to make the right decisions on key policies affecting public financial management and responsible use of its natural resources. While acknowledging that investment in infrastructure development and the agriculture sector is necessary to diversify the economic base, they expressed concern about the long-term cost of some development assistance in these sectors. In particular, the IMF representative stated that the terms of financing for the USD 1.3 billion in loans provided by China in 2008 and 2009, primary for infrastructure development, are unclear, raising significant concerns about Cambodia's debt sustainability. The experts all agreed that the timing of the closure of the IMF office in Cambodia (expected in April of this year) is unfortunate, coinciding with significant macroeconomic challenges facing the country, such as balance of payments and sustainability of the debt, and urged the U.S. to encourage the IMF to review its decision.

¶16. DAS Marciel did not have an opportunity to clear this cable.
RODLEY